NPAs of Urban Co-operative Banks

1948. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that NPAs of Urban Co-operative Banks have been increasing over the last several years;

(b) the details of NPAs of UCBs as on 30th September, 2004 showing debt, slab-wise number of NPA debtors' account e.g. number of accounts in Rs. 50,000 debt slab, Rs. 1,00,000, Rs. 2,00,000 and so on;

(c) the details of NPAs and bad debts of UCBs year-wise and State-wise of the last five years;

(d) the reasons for increase in NPAs and failure of recovery;

(e) steps contemplated, if any, for recovery of NPAs within a specific time-frame;

(f) if so, the details thereof; and

(g) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) NPAs of Urban Co-operative Banks (UCBs) are increasing since March 2001 except during 2003-04, as per details given below:

Year (as at end March)	No. of reporting UCBs	Gross NPAs (Rs. Crore)	Gross NPA as a percentage of total advances
2000	1866	5589	12.1
2001	1942	9245	16.1
2002	1937	13706	21.9
2003	1941	13647	21.0
2004	1926	11992	17.6

(b) and (c) The required information is being collected and will be laid on the Table of the House.

(d) Periodical statutory inspection of UCBs and special scrutinies conducted on specific occassions have revealed the following reasons for increase in NPAs and failure of recovery:-

(i) Lack of sound lending policies and non-adherence to RBI instruction issued from time to time;

(ii) Poor quality of pre-sanction appraisal of credit proposals and post-sanction supervision of loans and advances;

(iii) Excessive exposure to certain sectors, including sensitive sectors;

(e) to (g) The following measures have been taken by RBI/NABARD to check the rising NPAs and encourage recovery of NPAs:-

(i) Penal measures against willful defaulters;

(ii) Introduction of One Time Settlement Scheme of NPAs;

(iii) Ban on loans and advances to directors of Co-operative banks in pursuance of the recommendation of Joint Parliamentary Committee and RBI's internal findings;

(iv) Bank on loans and advances to share brokers;

(v) Classification UCBs according to their financial condition with a view to improve their financial position.

New opium policy

†1949. SHRI P.K. MAHESHWARI: Will the Minister of FINANCE be pleased to state:

(a) whether exploitation and difficulties of farmers have increased due to new opium Policy of the Government;

(b) if so, whether the Government are considering to make changes in the above policy in the interest of farmers;

(c) whether farmers of Mandsaur, Ratlam and Nimatch districts in Madhya Pradesh have sent a 13 point memorandum to Government against the said policy; and

(d) if so, Government's point of view regarding this new opium policy?

†Original notice of the question was received in Hindi.